IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION No 278 of 2003
with
COMPANY PETITION No 279 of 2003

For Approval and Signature:

HON'BLE MR.JUSTICE M.S.SHAH

==========

1. Whether Reporters of Local Papers may be allowed to see the judgements? : NO

2. To be referred to the Reporter or not? : NO

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the concerned Magistrate/Magistrates,Judge/Judges,Tribunal/Tribunals? : NO

GUJARAT AMBUJA EXPORTS LTD.

Versus

.

Appearance:
1. COMPANY PETITION No. 278 of 2003
MRS SWATI SOPARKAR for Petitioner No. 1
..... for Respondent No. 1

CORAM : HON'BLE MR.JUSTICE M.S.SHAH

Date of decision: 02/12/2003

COMMON ORAL JUDGEMENT

These are the petitions filed by two petitioner

Companies for sanction of the Scheme of Amalgamation of Jupiter Biotech Limited (the transferor Company) with Gujarat Ambuja Exports Limited (the transferee Company) under Section 391 read with Section 394 of the Companies Act, 1956.

2. Both the petitioner Companies are listed public limited Companies. The transferor Company is engaged in the business of manufacturing and trading of cattle feed. The transferee Company is engaged in the manufacturing and exports of various agro based products such as cotton yarn, soya and other oil seeds and its derivatives, maize based starch, wheat flour and other products. The amalgamation is proposed for the synergic advantages. The petitions give details of the advantages that would flow by virtue of the amalgamation of these Companies.

3. The meetings of the shareholders of both the Companies and unsecured creditors of the transferor Company were duly convened as per the directions of this Court and the resolutions approving the Scheme of Amalgamation were passed unanimously at the respective meetings. The meeting of the secured creditors was not required as there are no secured creditors of the transferor Company.

4. After the petitions were admitted, the same were duly advertised in the newspapers (Indian Express and Loksatta-Jansatta Ahmedabad editions dated 5.11.2003) and the publication in the Government gazette was dispensed with as directed in the order dated 17.10.2003. No one has come forward with any objections to the said petition even after the publication.

5. Notice of the petition of the transferor Company was served upon the Official Liquidator attached to this Court. The report dated 25th November, 2003 filed by the Official Liquidator confirm that the affairs of the Company have not been conducted in a manner prejudicial to the interest of its members or to the public interest.

6. I have heard Mrs. Swati Saurabh Soparkar, learned advocate for the petitioner Companies.

7. Notice of the petitions has been served upon the Central Government and Mrs. PJ Davawala, Additional Standing Counsel appear for the Central Government. Smt. Davawala has informed the Court and placed on record the letter from the Registrar of Companies of Gujarat dated 20.11.2003 along with the letter of the Regional Director dated 19.11.2003 indicating that the Central Government

does not propose to object to the proposed Scheme of Amalgamation. However, the attention is drawn towards the complaint filed by one of the shareholders regarding the share exchange ratio and the Directors' holding in the amalgamated Company. However, it has been pointed out that the share exchange ratio had been based on the valuation reports of two firms of Chartered Accountants of repute viz. M/s. Kantilal Patel & Company and M/s. Shah & Shah Associates and the same has been approved by the shareholders of both the Companies at the meetings. The increase in the Directors' holding as a result of amalgamation is very marginal, and is not prejudicial to the public holding. In view of this explanation and the reports of the authorities, there is no reason to withhold the sanction to the Scheme of Amalgamation.

8. Having heard the learned counsel for the petitioners and the learned Standing Counsel for the Central Government and the learned Official Liquidator, the Court is satisfied that amalgamation would be in the interest of the Companies and their members and creditors. The said Scheme of Amalgamation is hereby sanctioned and the prayers in terms of paragraph 21 (a) in Company Petition No.279 of 2003 and para 19 (a) in Company Petition No.278 of 2003 are hereby granted.

9. The petitions are accordingly disposed of.

10. So far as the costs to be paid to the Central Government Standing Counsel are concerned, the same are quantified at Rs.3500/- per petition and shall be paid to the learned advocate Ms. PJ Davawala for the transferor Company and Mr DN Patel for the transferee Company.

(M.S. SHAH, J.)

zgs/-